

2013/2014 WIC VENDOR AGREEMENT –APPENDIX A - VENDOR SELECTION CRITERIA

The following Vendor Selection Criteria must be met by all vendors at the time of authorization and must be maintained throughout the agreement period. The WIC Program may reassess any authorized vendor at any time during the vendor's agreement period using the vendor selection criteria in effect at the time of the reassessment and shall terminate the agreements upon failure to meet them.

- A vendor must submit a complete application package before the last acceptable deadline date. If incomplete at the time of the initial submission, a vendor will receive 15 days from the date of notification of the deficiency to cure such deficiency, and to file a completed application package.
- A vendor must be open at least ten (10) consecutive hours a day, six days a week.
- Falsification of any significant information required during the enrollment process shall be a basis for denial of participation.
- A vendor must attend all assigned mandatory training sessions.
- A vendor must not be expected to derive more than 50% of its annual food sales revenue from the acceptance of WIC checks. Food sales means sales of all foods, based on all payment methods that are eligible items under SNAP. These include breads and cereals, dairy products, fruits and vegetables, meat, fish, and poultry, as well as non-alcoholic beverages, snack foods, soft drinks, candy, ice, and seeds and plants intended to grow food.
- A vendor, with more than 50% of its food revenue from WIC transactions may not provide incentive items or other free merchandise, except food or merchandise of nominal value (less than \$2.00), unless the vendor provides proof of obtaining the items or merchandise at no cost.
- A vendor must provide, upon request, total food sales revenue, based on the definition of SNAP eligible food items, for a stated period of time and must be verifiable or documented.
- A vendor must post product prices, either on the store shelf in front of the item, on the product itself or, in the case of chilled or frozen items, on a sign attached to the door of a cooler or freezer in front of the food item.
- A vendor must have and maintain the established WIC Program Minimum Inventory Requirements. (See Appendix B).
- A vendor must meet established competitive pricing criteria, which involve the ranking, by peer group, of the price index of all vendors. The price index is calculated by using each vendor's reported prices for WIC food items. Each vendor's price index is then compared to the average price index for the peer group with which it is associated. Any vendor with a price index that exceeds 1.5 standard deviation of the peer group's average will be denied authorization. Vendors are assigned to peer groups based on population density in the ZIP code area of the store and the number of checkout lanes or the number of cash registers in the store. There are three population density groups (population density of 1-1000 people per square mile, 1001-3000 people per square mile, and over 3000 people per square mile). There are three cash register groups (1-3 cash registers, 4-9 cash registers, and 10 or more cash registers). Vendors that are in the same population density and cash register group are placed in a peer group. There are a total of 9 basic peer groups, as described above. Stores that meet the more than 50% criteria will be distinguished from other vendors and placed in a peer group comprised of only above-50-percent vendors. Pharmacies are divided into two peer groups: one for large chain pharmacies and the other for small chain and independent pharmacies. In addition, a vendor's price for any WIC check type must not be higher than the maximum not-to-exceed price for its peer group. The maximum not to exceed prices are based on average vendor prices for WIC food items plus two standard deviations and are used by the WIC Program bank to determine if a particular WIC check exceeds the maximum reimbursement level for that check type and peer group.
- A vendor must be currently authorized by the Supplemental Nutrition Assistance Program (SNAP) and must provide the FNS number prior to receiving WIC authorization.
- A vendor must not be currently disqualified from SNAP or must not have been assessed a SNAP civil money penalty for hardship, and the disqualification period that would otherwise have been imposed has not expired.

- A vendor applicant or current owners, officers or managers must not have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity within the last six (6) years.
- A vendor must purchase infant formula only from wholesalers, distributors, retailers and manufacturers from a list, which is provided by the WIC Program.
- A vendor must not have paid more than \$2,500 in fines related to State Agency-established sanctions in the last three (3) years.
- Vendors must maintain sufficient WIC redemptions, defined as averaging more than twenty-five WIC checks per month within the most recent three-month period.
- The WIC Program shall not authorize a vendor applicant if it determines that its previous owner sold the store in an attempt to circumvent a WIC sanction.
- A vendor must not offer, or intend to offer, incentive items solely to WIC customers, and must offer WIC customers the same courtesies that are offered to non-WIC customers.

Note: Except for the Minimum Inventory Requirements and Competitive Pricing Requirements, an exception may be made where adequate participant access does not exist as determined by the WIC Program.